GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5585
ANSWERED ON:07.04.2017
Counterfeiting of High Denomination Currency
Kumar Shri Ashwini

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 5585
TO BE ANSWERED ON 7TH APRIL, 2017/17TH CHAITRA SAKA, 1939

Counterfeiting of High Denomination Currency

5585. SHRI ASHWINI KUMAR:
QUESTION

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that higher denomination currency notes are cost effective and easier to carry enabling counterfeiters to push in more black and fake money into the system through less notes; and
(b) if so, the details thereof along with the precautionary measures taken by the Government in this regard?

Answer

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ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) to (b) India had consistently seen moderate to high inflation since the year 2000, which progressively eroded the value of money in Purchasing Power Parity (PPP) Terms, while disposable income levels and GDP had also continued to grow. In view of such circumstances and to enable public to conduct their transactions with more ease, the introduction of high denomination banknotes was found suitable to the need of currency demand persisting in the country.

To check the menace of counterfeiting of banknotes, The Ministry of Finance, Ministry of Home Affairs, Reserve Bank of India, Security and Intelligence Agencies of the Centre and States are working in tandem to thwart the illegal activities related to Fake Indian Currency Note (FICN). RBI has informed that the existing note verification machines have been re-calibrated for detection of counterfeit notes of new currency notes of Rs. 500 and Rs. 2000. RBI has also launched a mobile application for creating awareness among the members of public about security features of the new notes. Further, Government has taken steps for promotion of payments through digital means, which acts as deterrent for creation of/ pushing in black money/ fake currency.

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